

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Notice TB-1024

For: Tobacco State and County Offices

**"No P&CP" Tobacco Loss Assistance Program 2000 (TLAP00)
Frequently Asked Questions and Payment Rates**

Approved by: Acting Deputy Administrator, Farm Programs



1 "No P&CP" TLAP00 Program

A

Background

TPD has received numerous questions on the "No P&CP" TLAP00 Program since Notice TB-1021 was issued. Questions are addressed in Exhibit 1 and payment rates are provided in Exhibit 2.

B

Purpose

This notice provides:

- answers to frequently asked questions
- payment rates.

Note: Corrections to initial TLAP00 signup applications will be addressed in a future notice.

Disposal Date

May 1, 2002

Distribution

Tobacco State Offices; State Offices relay to
applicable County Offices

Frequently Asked Questions

Q. What are the definitions of owner, controller, grower/tenant, and producer? (Notice TB-1021)

- A. An owner (quota owner) is a person or entity who actually owns the land at the tract level, to which the quota is assigned. Persons who purchase and assign quota to a tract that they do not own will be required to make an arrangement with the actual owner of the tract before approval of CCC-950. A person who is not an owner of the farm to which the quota is assigned is not eligible for an owner payment, but may receive a payment by way of an assignment executed according to established procedure.

A controller is a person or entity who is in control of the land that is actually used to produce tobacco and who also shares in the risk of producing the tobacco on that land. A person not in control of the farm for which an application is made and who does not also share in the risk of producing the tobacco on that farm is not eligible for a controller payment, but may receive a payment by way of an assignment executed according to established procedure.

A grower/tenant is a person or entity who provides labor to produce the tobacco on the farm for which a TLAP00 application is being made and who also shares in the risk of producing the tobacco for which said labor is provided. A person who does not provide labor to produce tobacco and who does not share in the risk of producing that tobacco is not eligible for a grower/tenant payment, but may receive a payment by way of an assignment executed according to established procedure.

A producer is a person or entity who is actively engaged in planting, growing, harvesting, and/or marketing the tobacco on the farm for which an application has been made or who shares in the risk of producing the tobacco on that farm. A person who does not meet any of these listed eligibility requirements is not eligible for a producer payment, but may receive a payment by way of an assignment executed according to established procedure.

Q. What does "share in the risk of production" mean? (9-TB, Exhibit 2 and 10-TB, Exhibit 2)

- A. To share in the risk of production means that a person or entity:
- invests in the production of the crop of tobacco in an amount that is not less than 20 percent of the proceeds of the sale of the crop
 - depends solely on a share of the proceeds from the marketing of the tobacco for the return on the investment
 - waits until such crop of tobacco is marketed to receive any return on the investment
 - maintains records for a period of 3 years after the end of the marketing year that the tobacco is sold, which may be used to verify that the above provisions have been met.

Q. Can other than owners qualify for payment in this "No P&CP" TLAP00 signup?

- A. Yes, if the applicant meets the definition of either owner, controller, grower/tenant, or producer. See question 1.

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Frequently Asked Questions (Continued)

Q. How will appeals be handled?

A. Appeals will be handled according to 1-APP.

Q. If an FLP borrower has a current nondelinquent loan, will the TLAP00 payment be offset?

A. No. Offset for FLP borrowers will be handled according to RD Instruction 1951-S, Servicing and Collections.

Q. If an estate is listed as the owner of quota, can payment be made to that estate?

A. Yes, if the estate was valid on July 3, 2001.

Q. What is the final date for settling disputed shares?

A. The final date for settling disputed shares is December 14, 2001, which is the final date for sign-up.

Q. If a producer checks "Yes" in Item 5 on CCC-950, "Will this farm receive planted and considered planted credit for 2000 crop year?", do I have to take the application?

A. Yes, accept an application from any producer who wants to sign up, even if it appears they are not eligible.

Q. Are "CRP Reduction Acres" or "Released" (Wisconsin cigar binder, types 54 and 55) tobacco allotment eligible for payment?

A. CRP reduction acreage is not eligible; however, released acreage (Wisconsin cigar binder) is eligible.

Q. Are Ohio owners of tobacco types 42-44 eligible for "No P&CP" TLAP00 payments?

A. Yes.

Q. If CCC-950 was filed during the initial TLAP00 signup and the applicant was found to be ineligible for payment because there was no P&CP, must that person file a new application for this "No P&CP" signup or can the original application be used?

A. Because this is a new signup, COC must take current action on each application. However, if the information on the original application has not changed, an applicant may re-sign the original application (with a date within the time parameters of this current signup), thereby, effectively creating a new application for COC action.

Note: Applications with original signatures may **not** be removed from the County Office.

Payment Rates

State	Tobacco	Allocation and Payment Rate			
		Owner	Controller	Grower/Tenant	Producer
Alabama	flue-cured	.107294	N/A	N/A	.107294
	burley	.080745	.028547	.028633	N/A
Arkansas	burley	1.447826	1.534562	1.539171	N/A
Florida	flue-cured	.111490	N/A	N/A	.111490
Georgia	flue-cured	.113164	N/A	N/A	.113164
	burley	.197646	.074821	.074839	N/A
Indiana	burley	.272778	.199142	.199142	N/A
Kansas	burley	.280221	.190574	.190574	N/A
Kentucky	burley	.275126	.223603	.223603	N/A
Minnesota	cigar filler & binder	.104800	N/A	N/A	.104800
Missouri	burley	.275463	.241581	.241581	N/A
North Carolina	flue-cured	.136755	N/A	N/A	.136755
	burley	.091236	.031992	.031992	N/A
Ohio	cigar filler & binder	.104800	N/A	N/A	.104800
	burley	.259245	.182234	.182234	N/A
Oklahoma	burley	.429124	.451220	.452575	N/A
South Carolina	flue-cured	.110695	N/A	N/A	.110695
Tennessee	burley	.274376	.134017	.134017	N/A
Virginia	flue-cured	.156750	N/A	N/A	.156750
	burley	.103174	.052481	.052481	N/A
	dark fire-cured	.102654	.103683	.103683	N/A
West Virginia	burley	.277056	.099354	.099355	N/A
Wisconsin	cigar binder	.104800	N/A	N/A	.104800